

Decision No. 28744

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WALKUP DRAYAGE & WAREHOUSE COMPANY,)
a corporation, for an order authorizing) Application No. 20253
the issue of preferred stock.)

BY THE COMMISSION:

ORIGINAL

SECOND SUPPLEMENTAL ORDER

Walkup Drayage & Warehouse Company, by Decision No. 28368, dated November 18, 1935, as amended, was authorized to issue and sell, at not less than par, \$85,000. of its preferred stock for the purpose of paying indebtedness, purchasing equipment and providing working capital. Such stock, it appears, has been issued.

The company's Articles of Incorporation among other things provide that on April 1, 1936 and quarterly thereafter so long as any preferred stock remains outstanding, it shall make available a sinking fund to be applied to the purchase or redemption of preferred stock in an amount of not less than \$3,000. The stock is redeemable at par.

However, on April 4, 1936 the company filed an application with this Commission, being Application No. 20460, in which it requested permission to issue notes, jointly with Merchants Express Corporation, in the total principal amount of \$208,000. It appears that Central Bank of Oakland and Federal Reserve Bank of San Francisco, the lending institutions, as a condition to the making of said loan, have imposed a requirement that W. E. Draycott, the owner and holder of all the said outstanding preferred stock, shall consent in writing to waive the sinking fund provisions relative to the preferred stock until April 1, 1941, or if the proposed loan is paid in full prior to said date, then until such time as such payment is made; and further, that

said W. E. Draycott shall consent in writing that the issued and outstanding certificates of preferred stock shall have stamped or written thereon a statement showing such waiver.

In a supplemental petition filed in the above entitled matter on April 15, 1936, Walkup Drayage & Warehouse Company has filed the written consent and waiver of W.E. Draycott, as required by the aforesaid banks and has requested the Commission to approve and ratify the waiver of the sinking fund provisions. It appears to us that the action as proposed results in the issue of preferred stock with terms differing from those obtaining at the time the Commission made its former Decision No. 28368, and it would seem that a further order by the Commission is necessary at this time, therefore,

IT IS HEREBY ORDERED that Walkup Drayage & Warehouse Company be and it hereby is authorized to suspend the sinking fund payments referred to herein and to modify the certificates of preferred stock heretofore issued under authority granted by Decision No. 28368, dated November 18, 1935, as amended, by writing or stamping on such certificates the following endorsement:-

" The sinking fund requirements imposed upon the corporation by virtue of Article Sixth, section 5 of the Articles of Incorporation, and which appear likewise on this certificate, are suspended until such time as a loan in the approximate amount of \$208,000.00 from Central Bank of Oakland and Federal Reserve Bank in San Francisco to the corporation is paid in full, provided, however, that this suspension and waiver of the sinking fund requirements shall cease to be effective on and after April 1st, 1941.

This agreement is binding on the present holder of this certificate, his heirs, executors, administrators, successors and assigns and shall be written or stamped on any new certificate or certificates issued upon any transfer or reissue of this certificate."

IT IS HEREBY FURTHER ORDERED that the order in said Decision No. 28368, dated November 18, 1935, as amended, shall remain in full

force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 20th day of April, 1936.

M. Blum
Leon Whitely
W. H. C. C.
W. H. C. C.
Francis R. Owen

Commissioners.